Seasoned Actuaries Section (SAS)

November 11, 2007
CAS Annual Meeting
Chicago, IL

In attendance:

Bill, Richard
Bornuetter, Ron
Bouska, Amy
Bryan, Chuck
Canetta, John
Conger, Bob
D'Arcy, Steve
Davenport, Ed
Graham, Tim
Hartman, Dave
Kaufman, Allan
Krause, Gus
Lamonica, Mike
Mathewson, Stu
McManus, Mike
Meyers, Glenn
Miller, David L.
Smith, Lee
Steer, Grant
Teufel, Pat

The meeting was opened by Dave Hartman, wishing everyone a happy Veterans' Day. He asked everyone present to introduce themselves and give their retirement status.

As part of the business meeting, he announced that the minutes of the last meeting have been posted on the SAS section of the CAS website, along with the PowerPoint generously provided by Anne Kelly to assist people talking to high schools. The second part of the business meeting was the election of officers for the 2008 year. Those present unanimously approved the slate of Allan Kaufman (President), Chuck Bryan (President Elect), and Amy Bouska (Secretary-Treasurer).

The chairs of the six interest groups presented reports of their activities:

- Mentoring Younger Actuaries (Stu Mathewson)

  Stu has sent out e-mails to those who had indicated that they were interested in this topic but most responses indicated that people were too busy to participate. It was thought that having a "curriculum" would help and it would be better to do the mentoring one-on-one. It was emphasized that the target was young actuaries, not students. There was some discussion of how to make a connection, which has to be outside of the company. David Miller volunteered to look into this.

- Career Encouragement (Tim Graham)

  Tim received very few responses to his e-mail to those who had indicated an interest, but he won't be able to make any calls until after early December. Tim has talked at the University of Wisconsin. Dave described the Actuarial Foundation and Amy Bouska noted the Foundation's materials are also useful to home-schoolers. There was a discussion of the issue of increasing numbers of students with undergraduate degrees in actuarial science in the US/Canada. Pat Teufel brought up the CAS university liaisons / correspondents program

- International (Glenn Meyers)

  Glenn noted that this group is just starting. He plans to talk with developing countries, notably through the Advice & Assistance Committee of the International Actuarial Association.

- Public Policy (Lee Smith)

  This group needs to work out the issue of how to avoid overlap with the American Academy (and, to a lesser extent, the CAS). They plan to also consider how to interact (if at all) with RIMS and NCOIL. Some potential public policy issues are terrorism, RBC/solvency/ accounting, finite reinsurance, credit scores, securitization, catastrophes, pirates. Pat Teufel commented that the Academy is moving from providing objective analysis to serving the public good (i.e., developing material for thought leadership), and that creates opportunities for this group. Bob Conger opined that the CAS should be a resource, not a driver. Lee Smith suggested that the group should look at the RIMS website on ERM. Dave Hartman noted that Bob Miccolis, the head of the Casualty Practice Council at the Academy, had commented that it is hard to identify state-level issues, and suggested looking at <u>Business Insurance</u>.

- CAS Volunteer Opportunities (Anne Kelly)

  Although not present, Anne reported that she is being replaced as chair of COVR by Beth Fitzgerald.

- Professionalism Talks (Alice Gannon)

  Although unable to be present, Alice reported the significant progress of this group to Dave (report attached). In absentia, Anne Kelly suggested that this group should explore the possibilities of giving talks about professionalism issues at state insurance departments. It was also noted to make Alice aware of the possibility of sharing professionalism materials with other countries through the IAA.

After the committee reports, the next agenda item was “stories” of how retirement has gone for several “really retired” actuaries. Papers prepared by Rich Fein, Bob Sturgis, and Mavis Walters were handed out, and are attached to this report.

David Miller, who retired six years ago, told his story in person. Since his retirement was the result of an M&A change and was not planned, he sought help with the transition period, and feels that he has successfully adapted to a largely self-indulgent retirement and "living every day." He doesn't put any pressure on himself to do something meaningful and thinks that one needs hobbies to keep busy and that his (golf and competitive bridge) have worked out well. In addition, his worst high school subject of history has now become a passion and he is "hooked" on crossword puzzles. He finds the reactions of others to his early retirement range from a questioning look to jealousy and has some guilt feelings regarding his older brother who is still working. One negative, particularly in winter, is not being around other people as much as when he was working. After retiring, he dabbled in consulting, but found he was neither ready nor interested. He also found one very satisfying use of his time was to re-connect with many of his cousins and grade school friends. Over the last year he finds himself becoming ready to re-make some commitments to the profession. David commented on how his career illustrates what a lucky generation we are from growing up in the 1950s, to education and our many job opportunities and now, pension benefits.

In the lively discussion that followed David’s presentation and reading the other papers, Ron Bornhuetter passed on advice that he received, namely that you have 24 months to get something lined up, e.g., to be on a Board. Another commented that consultants can provide the tech support that evaporates when one retires. It was also suggested that people check classmates.com for old acquaintances.

Our next meeting will be held in the second afternoon concurrent session slot on Monday, June 16, 2008, at the CAS Spring Meeting in Quebec City, Canada.

After the discussion, Dave Hartman adjourned the meeting.

Respectfully submitted,

Amy S Bouska

Amy S. Bouska, FCAS, MAAA
SAS Secretary/Treasurer

Seasoned Actuaries Section
Topics of Interest (Revised 1/4/08)

Mentoring Younger Actuaries	Career Encouragement	Professionalism Talks	Developing Countries
Biondi, Dick	Bouska, Amy	Bass, Irene	Biondi, Dick
Bornhuetter, Ron	Conger, Bob	Connell, Gene	Bouska, Amy
Connell, Gene	Davenport, Ed	Fisher, Wayne	Cheng, Joe
Fagan, Janet	Fagan, Janet	**Gannon, Alice (chair)**	Conger, Bob
Fusco, Mike	Fallquist, Dick	Germani, Wendy	Fallquist, Dick
Germani, Wendy	Gannon, Alice	Graham, Tim	Fisher, Wayne
Graham, Tim	Germani, Wendy	Khury, Stan	Hartman, Dave
Mathewson, Stu (chair)	**Graham, Tim (chair)**	Lamonica, Mike	Kaufman, Allan
Meyers, Glenn	Johnston, Tom	McClenahan, Chuck	Khury, Stan
Miller, David	MacGinnitie, Jim	MacGinnitie, Jim	Levin, Joe
Oakden, Dave	McManus, Mike	Oakden, Dave	Linden, Orin
Simons, Marty	Millman, Neil	Petrelli, Joe	Mathewson, Stu
Smith, Fran	Mohl, Jim	Simons, Marty	**Meyers, Glenn (chair)**
	Oakden, Dave	Teufel, Pat	Petrelli, Joe
	Petrelli, Joe		Philbrick, Steve
	Sawyer, Stew		Van Slyke, Lee
	Smith, Fran		

CAS Volunteer Opps	Public Policy Issues
Bass, Irene	Bryan, Chuck
Kelly, Anne (chair)	Frohlich, Ken
Smith, Fran	Hall, Jim
Spalla, Joanne	Petrelli, Joe
Teufel, Pat	**Smith, Lee (chair)**
	Teufel, Pat

Retirement – notes for a chat to the venerable elders of the CAS
Rich Fein, very active retiree
Nov 2007

It's like the four speeches you write: the one you are asked to give, the one you write, the one you actually give, the one you should have given

- ## The one you are asked to give:

  - **Theory**

Get lots of advice from books, those who have retired, and those who claim to know what it is about

You can't really get too much – you will reject much of it, but you will begin to think in terms of what you will do and what it will be like; try to imagine

If your firm provides seminars and "how to's" take advantage of them

  - **Reality**

I was ready. I knew it was coming – rules for partners

I had lots of "advice" in the form of "Are you ready?" and "What are you going to do?"

From retirees: don't play chess

From active working friends: don't play chess (read: how can you retire – I will never retire!)

My spouse was asked by other spouses if she was ready (Huh? Why not? Uh-oh, a red flag to be reckoned with)

My firm prepared me well, while my back was turned getting my job done - that helped a lot

- ## The one you write

  - **Theory**

Prepare some lists of what you think you want to do. Time is precious but there is lots of it. Begin to review how you will deal with it

Give it a year before important decisions

Financials are important for peace of mind – and confirmation that you are ready and know what you need to do. Expect some surprises – but not too many

Oh yeah: Listen to your spouse's view on retirement – she retires with you – that is, it has a big impact on her. Ignore this at your peril.

  - **Reality**

I had a long list of things to do: travel, cooking, golf, biking, futures trading, reading, model railroads, volunteering, family, fly fishing, revisiting some old research - what fun this was going to be. Yeah, sure

My mental checklist as in our calculations of reserve ranges should take effective account of "correlation."

My spouse will be very supportive, as she always is, but I sensed some trepidation on her part– But why? I didn't need watching over and certainly could get my own lunch and perform time management – a cinch with all that free time and all of that lack of responsibility – like stopping yourself from hitting your head with a hammer – what could be better.

My self-worth may go beyond my job! Booyah!

I got this under control (my friends confirmed that with – he looks so ready and so happy. At least they didn't curse me the famous: he looks so healthy!)

- **The one you actually give**

  - **Theory**

  That evolution takes at least a year to evolve.
  No surprise if some of your important items fall away
  You get to know what you want to do and who you are (finally)

  - **Reality**

  I really feel transformed. An illusion perhaps, but the feeling lingers on.
  Your dreams don't retire – they still exist and can be recast and regenerated
  Tell yourself the truth, if you recognize it – it speeds up the process immensely

  It may take longer than a year to settle down – and fortunately, you will likely have that time – if your spouse doesn't kill you first. The spousal reality: for better, or for worse, but not for lunch. If you respect the other orbits (which worked well without your fruitful intervention), you may live to a riper age. The spouse's trepidation – do I need to take more care of you now than I did? Do I need to mess up my life just because you are in it more frequently? Are you going to run this place like you did your own business? The good news: I am still alive

  My environment is still evolving, but more focused – eliminated many hobbies: kept a few: travel, family, cooking, and fly fishing

  Realization: My self-worth really went beyond the job: it was about taking theoretical frameworks and making them into useful models – added more focus on professional activity and consulting work – it's a lot better since you have much greater latitude over what/who you will accept and reject. I really like this stuff and my mind still works.

  God bless mathematics and this profession – it keeps my mind active

- **The one you should have given**

  That is still being written…somewhere

Notes from 10/19/07 discussion with **BOB STURGIS** (FCAS 1968, retired 1995)
(Amy Bouska and Dave Hartman)

1. What sort of advance planning did you do for your retirement?

   I did a lot of financial planning throughout my career, making my "nest egg" a priority, so that wasn't an issue when it came to retirement. However, I wrestled with the question of <u>when</u> to retire over a period of 2-3 years. I went to 80% time about three years before I retired, and then to 60% time in the last year, but I wouldn't recommend that. I was on reduced hours but working full-time.

2. Speaking of financial planning, are there any benchmarks or rules of thumb that you would be willing to share?

   Not really. My review was a pretty simple little spreadsheet, and I varied some of the assumptions about earnings and inflation.

3. How did your spouse participate in the decision to retire?

   Judy was teaching school and continued to do so for several years after I retired. We didn't move or do anything else upsetting, so her attitude as "if you want to, that's fine."

4. How does post-retirement reality compare to your pre-retirement plans / expectations?

   It has worked out well compared to my expectations. I'm busy through noon, have lunch, read a book or doze for an hour, walk the dog. I've never regretted it. Sometimes I wonder if I should have done it sooner, but then think that it was the right time. I was about 55.

5. What are you doing during the mornings?

   I decided not to worry about being idle, figuring that I would find things to do, and that has worked out. I bought some land and built three houses. I figured that being a general contractor would be something totally different from what I had been doing, but it turned out to be just the same, that is, managing people to get things done on time. I didn't have any prior experience at contracting but am proud of the houses I built.

   Besides that, my wife inherited a piece of commercial property that is a historic building and I wound up managing its finances, although I have a manager who handles the tenant relationships. I also bought a foreclosed apartment building in New Hampshire and fixed it up and then sold it after eight years.

   I play golf. We have two homes, so I do a lot of maintenance handy work.

   I'm also on two Boards – a civic Board and a publicly traded insurance company Board that I was involved with earlier while I was still working. This is mostly general business skills, but is very interesting. I've had to acquire a lot of new knowledge.

I'm also volunteering for the ABCD.

6. What sort of adjustments did you have to make when you retired?

   There weren't any big problems, but the change does require a bit of an adjustment. There is a lot of prestige attached to being a working actuary, especially since I was in management. You retire and it's gone. I definitely noticed the change. You have to be comfortable with yourself, since there aren't a lot of people fawning over you.

   The other thing I noticed is that things take so much longer because you have to do everything yourself. There aren't any analysts or assistants to help.

7. How are you getting along with technology?

   Electronics, in general, are frustrating. My computer usage is pretty much Word, Excel, e-mail, and solitaire. My children used to be my tech staff, but they've moved out of the house.

8. What sort of planning are you doing for the future of your retirement?

   It's pretty much limited to estate planning, living wills, and possible downsizing.

THOUGHTS ON RETIREMENT

Mavis A. Walters

Pre-retirement Planning

There are probably more books written about the financial planning for retirement than any other aspect. As actuaries we certainly do appreciate how important that is. But I am going to assume that everyone takes that as a given and address other, very important things that are not as frequently mentioned.

For me, there were two major changes that I don't think I was fully prepared for even though they could have been predicted.
The obvious one is that all of a sudden you have all those blank days ahead with no meetings, no travel and no business appointments to keep you busy! I think it is important to recognize this up front and have plans to fill those days.

For me, it wasn't too difficult because I was still very involved in professional activities. I was serving on the Board of Trustees of The Actuarial Foundation and became its chairman soon after retirement. We had lots of important items on our agenda and this kept me quite occupied and interested. It also provided me with continued contact with my colleagues in the actuarial community.
I also continued to serve on the CAS Editorial Board for several years after retirement. And during that time I was also called upon to serve on the search committee for a new Executive Director of the American Academy of Actuaries. Again, these things kept me in contact with fellow actuaries, and the tasks were very challenging.

All of these things helped as a transition from full time work to a more leisurely pace. I did try consulting work for a spell and had a couple of assignments that were fun but decided that I really did not want to work that hard or even be available for assignments. Luckily, thanks to having a good financial plan,(and a husband still working full time as a senior partner in a Washington law firm) even part time work was not a necessity for financial reasons.

The other change that I was not fully prepared for was what I will call, a change in identity. Having worked for so many years and having achieved a modest level of success, I took for granted the status that came with my corporate position and even within the actuarial profession, as a past president of both the CAS and the AAA. When I would travel on business I frequently met people who knew me, or knew my name. That very quickly dissipates after retirement.

But again, I was fortunate that my volunteer professional activities kept me connected for several years after retirement.

Retirement as a Full Time Job

I do think it is important to plan ahead and decide how you want to continue to make a difference in the world around you.

As a starting point I think it is a good idea to recognize that there are at least 3 different areas of one's life to consider;
-Professional activity
- Leisure activity and
- Volunteer activity
One could also add to this list, home chores or activities, which includes family, and there may be an overlap among all these areas.

For me the professional activity was as I described above.

With respect to leisure time, I knew that I loved to play golf and would do so in retirement but there had to be other things as well. I did join the Women's Golf Association at our golf club and got involved in all its activities.

I also took up playing bridge again, which I had not done since college, and now I am playing competitive, (duplicate) bridge 2 or 3 days a week..
With respect to other volunteer activity: before retirement I was a part of the Parish Council at my parish church but since retirement I have become much more active in all our work.

And one of the best aspects of retirement from my husband's perspective is that I have taken up cooking, which I rarely did while I was working. No one would call me a gourmet chef but I find I do enjoy it now that I have the time to plan and shop for meals.

My husband has been extremely supportive of me as I transitioned from a working spouse to retirement and I do think he was quite pleasantly surprised at how quickly my days filled up with things to do.

Final thoughts and recommendations:

- Recognize that your life will change and prepare for it
- Set priorities for the things that are most important for you to accomplish
- Make sure you have interests and friends outside of the work environment that you can draw upon when you are no longer working
- Allow yourself time to just relax and do nothing for a short while—read books, take leisurely walks, go to the movies in the middle of the day. Enjoy your new found freedom at the outset. But
- Make sure you do have reasons to get out of the house and maintain contacts with the outside world.

My experience has been that there is a life after retirement and it is wonderful!